

Exhibit

A

TRANSMISSION VERIFICATION REPORT

TIME : 11/07/2008 12:03
NAME : RHF FINANCE DEPT
FAX : 5624308614
TEL : 5622575119
SER.# : BR0L6J560968

DATE, TIME
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DURATION
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**Retirement
Housing
Foundation**

911 North Studebaker Road
Long Beach, CA 90815-4900
Phone: 562/257-5100
Fax: 562/430-8614

FAX

To: Lehman Brothers Special Financing, Inc.
Fax #: 646.758.2988
From: Brian Magnone, VP/Treasury (562) 257-5108 direct phone
Subject: Notice of Event of Default and Condition Precedent
Date: November 7, 2008
Pages: 5, including this cover sheet.

COMMENTS:

Please refer to the attached correspondence.

☐ No original will Follow

Original will follow by:

- ☐ First Class Mail
☐ Priority Mail
☒ Federal Express
☐ UPS Next Day Air
☐ Other_____

If transmission is incomplete, please call **Brian** at 562/257-**5108**.



Via Federal Express and Facsimile (646-758-2988):

Lehman Brothers Special Financing Inc.
745 Seventh Avenue, 5th Floor
New York, NY 10019
Attention: Municipal Financial Products – Middle Office

Re: Notice of Event of Default and Condition Precedent

November 7, 2008

Ladies and Gentlemen:

Reference is hereby made to that certain ISDA Master Agreement dated as of June 20, 2008 by and between Lehman Brothers Special Financing Inc. ("Lehman") and Retirement Housing Foundation ("RHF"), Foundation Property Management, Inc. ("FPM") and each of the nonprofit corporations identified on Exhibit A to such ISDA Master Agreement (each, including RHF and FPM, collectively, "Counterparty"), together with the Schedule thereto, all annexes thereto and the Confirmations (Global ID# 3901141, 3901146, 3901148 and 3901194) of the interest rate swap transactions outstanding thereunder (collectively, the "ISDA Master Agreement"). Capitalized terms used and not defined herein shall have the meanings given to such terms in the ISDA Master Agreement.

As a result of the bankruptcy of Lehman's Credit Support Provider, Lehman Brothers Holdings Inc., an Event of Default with respect to which Lehman is the Defaulting Party has occurred and is continuing under Section 5(a)(vii) of the ISDA Master Agreement. Pursuant to Section 2(a)(iii)(1) of the ISDA Master Agreement, Counterparty's obligation to make each payment or delivery specified in the Confirmations is subject to the condition precedent that no Event of Default with respect to Lehman has occurred and is continuing. Accordingly, we hereby notify you that, in accordance with Section 2(a)(iii) of the ISDA Master Agreement, Counterparty will withhold payments and deliveries specified to be made by it in the Confirmations, subject to all applicable terms of the ISDA Master Agreement.

Nothing contained herein or related hereto shall be deemed to waive, limit or alter any of our rights, claims or causes of action under applicable law, the ISDA Master Agreement, any related documents or any matter related thereto. All such rights, claims and causes of action are hereby reserved.

Please note that this notice does not constitute, and shall not be interpreted as, an election or commitment by Counterparty to terminate or not to terminate the ISDA Master Agreement at the present time or at any time hereafter.

Retirement Housing Foundation



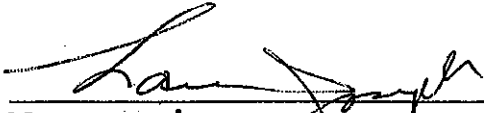
911 N. Studebaker Road, Long Beach, CA 90815-4900 • (562) 257-5100 • Fax (562) 257-5200
Member, Council for Health and Human Service Ministries, United Church of Christ
www.rhf.org • TDD (800) 545-1833 EXT. 359 • Email: info@rhf.org



Sincerely,

RETIREMENT HOUSING FOUNDATION
BIXBY KNOLLS TOWERS, INC.
BLUEGRASS RHF HOUSING, INC.
DESMET RHF HOUSING, INC.
FOUNDATION PROPERTY MANAGEMENT, INC.*
GOLD COUNTRY HEALTH CENTER, INC.
HOLLY HILL RHF HOUSING, INC.
MAYFLOWER RHF HOUSING, INC.
MAYFLOWER GARDENS HEALTH FACILITY, INC.
MERRITT ISLAND RHF HOUSING, INC.
ST. CATHERINE RHF HOUSING, INC.
SUN CITY RHF HOUSING, INC.
YELLOWWOOD ACRES, INC.
MARTIN LUTHER FOUNDATION, INC.

By:


Name: **Laverne R. Joseph**
Title: **CEO**

*CEO of Foundation Property Management, Inc.

By:


Name: **DEBORAH J. STOUFF**
Title: **CORPORATE SECRETARY**

cc via facsimile or e-mail: B.C. Ziegler and Company
Attention: Risk Management and Advisory Group
facsimile: 646-514-5322
e-mail: derivopps@ziegler.com

(Local Currency-Single Jurisdiction)

Execution Copy

ISDA[®]

International Swaps and Derivatives Association, Inc.

MASTER AGREEMENT

dated as of June 20, 2008

Lehman Brothers Special Financing Inc., on one hand, and Retirement Housing Foundation ("RHF"), Foundation Property Management, Inc. ("FPM") and each of the nonprofit corporations identified on Exhibit A (each, including RHF and FPM, a "Member" of the "RHF Obligated Group" and, collectively (with RHF and FPM), the "RHF Obligated Group"), on the other hand, on behalf of itself and on behalf of each other Member of the Obligated Group as Obligated Group Representative have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement (the "Master Agreement"), which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

(a) **Definitions.** The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant

EXHIBIT A to Schedule

Bixby Knolls Towers, Inc.

Gold Country Health Center, Inc.

Mayflower RHF Housing, Inc.

Mayflower Gardens Health Facilities, Inc

Sun City RHF Housing, Inc.

Bluegrass RHF Housing, Inc.

DeSmet RHF Housing, Inc.

Holly Hill RHF Housing, Inc.

Merritt Island RHF Housing, Inc.

St. Catherine RHF Housing, Inc.

Yellowwood Acres, Inc.

Martin Luther Foundation, Inc.



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The information contained in this facsimile message is confidential and intended only for personal use of the person(s) named above as addressee(s). If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of the communication is strictly prohibited. It may be a violation of the confidentiality sections of the U.S. Internal Revenue Code or of state statutes, and could subject you to legal action. If you have received this communication in error, please notify us by telephone (collect) at 562/257-5100, and return the original message to us at the address shown above on this letterhead. Upon request, your postage will be reimbursed.